

Applicant Name Montana Board of Oil and Gas Conservation (BOGC)
Project Name Southern District Orphaned Well Plug and Abandonment, and Site Restoration

Project Abstract

The purpose of this grant request is to provide funding to properly plug and abandon orphaned oil/gas (bond forfeiture) and leaking orphaned abandoned wells and perform surface reclamation. The wells are uneconomic and have the potential of causing damage to subsurface formations, the state's water, and the surface around each well.

The BOGC will eliminate the threat of contamination by soliciting bids to plug and abandon the wells. Under supervision of the board's staff, the successful bidder will properly plug and abandon each well, dispose of and/or remediate contaminants, and reclaim the surface location.

The wells produced oil/gas or were plugged in the past. The operators could no longer afford to produce the wells, so the wells were shut in. The companies' assets will not cover the liabilities to creditors, leaving the operators insolvent. Since the companies are currently insolvent or long since defunct, responsibility for the wells and any potential environmental damage rests with the BOGC and the state. The wells will be properly plugged and abandoned when funding is made available.

The orphaned wells are located throughout Montana. By prioritizing the board's list of orphaned wells, in most cases the wells that present the highest potential for damage to the environment because of leaking or loss of mechanical integrity will be plugged first.

The project is estimated to take 24 months. The work will generally begin during the first suitable field season following availability of funding.